177 his knowledge and admiration of modern Western civilization, he became as a young man one of the most significant contributors to the reform of Chinese written expression and helped to change the style of modern Chinese literature. As a professor and editor of a journal of opinion in the following decades, he spread the principles of John Dewey's pragmatism the scientific attitude, objective literary criticism, democracy, and material progress. The importance and influence of his work in China may be inferred from the heavy attacks he and his ideas have encountered under the Communist regime.[33]

• 669 E. The Warlords in the East China Region

One of the negative aspects of the coincidence of the Western invasion of China and the decline of the Manchu Dynasty was the period of warlord rule (1916 to 1928) in the East China Region. Military despots armed with Western

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33. See for instance the comments of the American editors of Current Background, Hong Kong, American Consulate General, 315, p. 2, and translation following of Chinese Communist press reports. Also see "The Campaign against Hu Shih, "Ibid., 167. Citations from Current Background, unless specifically attributed to the American editors, as above, refer to literal translations from Communist newspapers and magazines, and should be treated as such.

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669 weapons and motivated by the desire for power and wealth arose to fill the vacuum left by the disintegration of central political authority in 1916. As a port through which Western weapons could be smuggled and as a source of vast revenue, China's richest city, Shanghai, was a major attraction to the warlords.[34]

Dominance of the city passed from one to another of them until Sun Ch'uan-fang, a product of Shantung, seized Shanghai in 1925. He took it in the course of carving out a domain for himself which, by 1926, included Kiangsi in the Central-South Region and all the provinces of the East China Region with the exception of his native Shantung. In 1927, he was driven from his realm by the armies of the Kuomintang.

Sun's rise to power was engineered by a series of alliances and betrayals and abetted by another warlord and native of Shantung, Wu P'ei-fu. Wu followed Ts'ao K'un as leader of the Chihli (Hopei) Clique, one of three warlord factions which alternated in control of Peking. The other factions were the Anfu Clique (an for Anhwei and peace; fu for Fukien and good fortune) dominated by Tuan Ch'i-jui;

34. On the warlords see H. F. NacNair, China in Revolution: An Analysis of Politics and Militarism under the Republic, pp. 46-64, and passim. On their role in the East China Region see Finch, op. cit., passim.

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669 and the Fengtien (South Manchuria) Clique led by Chang Tso-lin. After 1923, Feng Yü-hsiang, until then the chief lieutenant of Wu P'ei-fu, became an independent and additional element in the dominance of Peking. Both Tuan and Feng were natives of Anhwei but operated largely outside the East China Region.

F. Shanghai and the Nationalist Revolution

669 During 1923, the founder and leader of the
668 Kuomintang, Sun Yat-sen, reached agreement with representatives of the Soviet Union for its material help in reorganizing the Kuomintang on Communist Party lines and aiding it in the achievement of national unification and independence. Members of the Chinese Communist Party, founded two years before in Shanghai, were admitted into the Kuomintang and permitted to conduct the major share of the propaganda and grass roots organizational campaigns. In the East China Region, these efforts were most heavily concentrated on the industrial workers of Shanghai. Particular attention was paid to organizing them into unions, propagandizing for labor benefits, and indoctrinating labor in nationalistic and

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668 anti-imperialistic ideas.[35]

In the course of this campaign, a demonstration held May 30, 1925 to protest the death of a worker in a strike against one of the city's Japanese-owned mills was fired on by police of the International Settlement, killing several marchers. Communist labor leaders took advantage of natural Chinese resentments to promote a general anti-imperialist movement marked by strikes, boycotts, and demonstrations against Britain and Japan. This action aided greatly in stirring up enthusiasm for the radical Kuomintang program then being disseminated in Canton and for the Northern Expedition which set out from that city a year later to unite all

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35. The history of the reorganization of the Kuomintang, its alliance with the Soviet Union, the beginnings of the Communist Party and subsequent events is recounted from a number of points of view in MacNair, op. cit.,; T'ang Leang-li, The Inner History of the Chinese Revolution, London, G. Routledge and sons, 1930; Harold Isaacs, The Tragedy of the Chinese Revolution, rev. ed., Stanford, Stanford University Press, 1953; Robert C. North, Moscow and Chinese Communists, Stanford, Stanford University Press, 1953; and Benjamin I. Schwartz, Chinese Communism and the Rise of Mao, Cambridge, Mass., Harvard University Press, 1951.

669 China and free it from foreign control. The
668 May 30th incident helped to swell the ranks of the Communist-led unions. On Marcy 22, 1927, the unions were able to seize control of Shanghai as a small Nationalist army approached the city. The Kuomintang army was welcomed into the city by the labor forces, but it was evident that they intended to maintain at least a hand in controlling the city and that they were in sympathy with the Communist-dominated left-wing of the Kuomintang government at Wuhan, which had split with the more conservative majority of the party elsewhere. On orders from Chiang Kai-shek, the reinforced army within Shanghai struck without warning at the labor forces on April 12, 1927, slaughtering thousands of labor union members, their Communist and leftist leaders, and their worker army, which had buried its arms on Comintern orders. The action was preceded by a conference between Chiang and the business leaders of Shanghai, who had been shocked by the excesses of the Wuhan Government's appeal for peasant and labor uprisings. With the support of the business element and the warlords within the ranks of the Kuomintang, Chiang was able to achieve leadership of the party and drive the left-wing government from Wuhan. He turned the revolution to the right. The Russian advisors were expelled from the country and the Communists from the Kuomintang.

648 to take over rights wrested from the Chinese in negotiations. After France had been similarly compensated by the lease of Kwangchow Bay in Kwangtung, Italy unsuccessfully demanded a like cession in Chekiang.

• 649 These national humiliations coupled with a disastrous flood raised a wave of anti-Manchu and anti-foreign sentiment among the people of the East China Region in 1899. The membership of secret societies swelled, and bandit gangs became rife throughout the five provinces. These two kinds of groups, often indistinguishable one from the other, were the traditional outlets for grievances against the government and frequently became the nuclei around which ambitious persons organized movements intent on seizing the throne.

Anti-foreign hatred and violence in Shantung finally coalesced in the I-ho-t'uan (The Righteous Harmony Corps), also called the I-ho-ch'üan (Fists of Righteous Harmony). Known to the West as "the Boxers," the membership of this society had originally been organized against the ruling dynasty, but were persuaded to turn their resentment against the foreigner. Beginning with rice riots and raids on Christian missions, the sect soon turned to violence against native Christians, German prospectors and railroad workers, and foreigners generally. The secret society not only had gentry leadership, but was also encouraged by the Manchu

governor of Shantung, Yü-hsien. When under foreign pressure Peking replaced him with Yüan Shih-k'ai in January 1900, the activities of "the Boxers" declined rapidly in Shantung. The sect's scene of operation then shifted northeast to Hopei and was particularly active around Peking, where the sect won open support from the imperial family.

I. Shantung and Japan

The eyes of China were again on Shantung from 1915 through 1929. In the former year, Japan entered World War I on the side of the Allies and proceeded to drive the Germans out of Shantung despite the protests of China, then a neutral. Having replaced Germany in the province, Japan forced on China the "Twenty-one Demands." One demand stipulated Chinese recognition of Japan's right to take over Germany's position in Shantung.

China entered the war in 1917, but not with the intent of gaining a hearing for her rights at the peace table. Rather, the declaration of war was forced through over parliament's objections by the warlord Tuan Ch'i-jui with the aim of enriching himself and his cohorts through war loans from Japan. These loans and Japanese agreement with the other Allied Powers recognizaing her "special rights" in China strengthened Japan's position in Shantung by the end of the war. At the

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726 local population. [53]

669 E. Victory of the Communist Party

At the end of the war, Communist forces were scattered throughout the East China Region with the exception of southern Chekiang and Fukien. These troops immediately began to expand their areas of control by accepting the surrender of Japanese occupying forces and came into conflict with Kuomintang troops bent on the same mission. Central Government orders to the Communists to desist in this operation had no affect, and a full-scale civil war was soon in progress throughout China. [54]

A Kuomintang offensive from July 1946 to July 1947 drove the bulk of the Communist

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53. See Linebarger, op. cit., pp. 116-23, 159-75; Stein op. cit., pp. 333-41; and U. S. Office of Strategic Services, The Guerrilla Front in North China, Washington, D.C., 1943 pp. 14, 20-21.

54. The names, dates, and campaigns connected with the Communist victory are largely taken from a Communist source, which is accurage in regard to these facts insofar as can be determined by checking against other, scattered sources: Liao Kai-lung, From Yenan to Peking, Peking, Foreign Language Press, 1954, pp. 3-4, 8-11, 15116, 18, 21, 32, 36-38, 49-54, 60-65, 89-91, 101-04, 107.

•669 armies out of all the East China provinces except Shantung. Despite the government's capture of the Communist capital of the province at Lin-i in February 1947, the Red forces were able to hold on in the province and to organize thrusts cutting the Lunghai Railroad in western Anhwei during early 1947. In the second half of the year, field armies under Generals Ch'en I and Su Yü moved from central Shantung to the periphery of the province, while other units under Hsü Shih-yu and T'an Chen-lin struck toward the east and the Shantung Peninsula.

Elements of these and other armies spread out in the whole region between the Yangtze and Yellow rivers from the sea on the east to the Han River in the west. By the end of 1947, the Communist felt well enough established in the region to form what was called the Central Plain Liberated Area. As in the war against Japan, the Communist did not occupy contiguous territory but rather isolated patches of countryside, particularly along communication routes, leaving the cities and their communication hubs to the enemy.

The Communists' first decisive victory in the East China Region was the capture of Tsinan in September 1948. After the battle, the Communists took time out to reform the armies previously occupied in the Northwest, the Central Plains, the East, and the Northeast into respectively the First, Second, Third, and Fourth Field Armies.

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• 669 From November 7, 1948 to January 10, 1949 the Second and Third Field Armies engaged in what was called the "Huai-Hai Campaign." It involved the sweeping out of Kuomintang forces between the Yellow and Yangtze rivers by key victories at Hsuchow, in northern Kiangsu, and in eastern Honan. Again, there was a pause while the Communists regrouped their armies along the north bank of the Yangtze and talked peace with the Kuomintang

By April 20, 1949 the stage along the Yangtze was set for the final blow. The following day crossings of the river were made between Nanking and Hankow by the Second and Third Field Armies. Nanking fell to the invaders three days later. The next day Chinkiang, capital of Kiangsu, fell. Hangchow, capital of Chekiang, succumbed May 3, and Shanghai was entered May 27. The remaining Kuomintang troops above the Yangtze were pulled out of Tsingtao by sea transport early in June, giving the Communists claim to all the East China Region above southern Chekiang. Fukien's capital at Foochow was lost on August 17, and one month later the Communist forces took Amoy, the last important city in the East China Region. With all its provinces under Communist control, the conquerors did not consider the campaign ended. The offshore islands, principally Quemoy and Formosa, were included in the East China

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669 Region and still await "liberation" by Communist forces.

The rapid occupation of the four southern provinces of the East China Region indicated the extent of Kuomintang collapse by mid-1949. The people of the region were thoroughly sick of fighting and largely out of sympathy with the Kuomintang regime because of its inability to control graft in its midst and a runaway inflation, which struck particularly hard at the non-farming population of the cities. Any regime that promised peace and stability would have been welcomed. Even many of the private businessmen were willing to take a chance on the Communists, seeing their rule in the moderate terms outlined by Mao Tse-tung in his New Democracy. To the great majority of China's population, the peasants, the struggle for power was none of their business. They stood aside, waiting for the winner to emerge, and accepted the victory of the Red Army as the beginning of a new dynasty which had inherited the "mandate of Heaven" from the discredited Kuomintang.[55]

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55. For a description of the reception of the Communists in the East China Region see Lynn and Amos Landman, Profile of Red China, New York, Simon and Schuster, 1951; and Otto B. Van der Sprenkel, et al, New China: Three Views, London, Turnstile Press, 1950. Both works are generally sympathetic and optimistic concerning the Communist regime, but the eye-witness accounts of the authors indicate that much the same mood prevailed among most of the population of the East China Region.

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I. SUPPRESSION OF COUNTERREVOLUTIONARIES

687 The term "counterrevolutionaries" has been loosely defined by the Communists. It may include bandits, landlords, armed resistance groups, spies, or any person whose activities are deemed detrimental to the Communist cause. The Communist authorities have deliberately avoided a precise definition; any person considered undesirable and harmful to the Communist regime can be accused of counterrevolutionary activity and subject to liquidation.

A. Extermination of "Bandits"

669 727 The term "bandit" is broadly used by the Communists to identify any armed resistance, either from the underground forces or from professional armed robbers. However, prior to 1952, this term was generally applied to remnants of Kuomintang forces on the Mainland and to long-active armed bands.

Immediately after the Communist seizure of power in the East China Region, military campaigns were launched to exterminate these armed bandits. The campaigns were vigorously carried out and rapidly concluded. At the end of 1949, all provinces in the region, with the exception of Fukien, announced the elimination

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669 727 of armed bandits in major areas.[1] Throughout 1950, concentrated effort was exerted in Fukien and Chekiang provinces, where bandit forces could not be suppressed in spite of a series of military expeditions against them. Bandit strength in Chekiang, which was estimated at 8,500 in February 1950, increased to 10,000 in May of the same year.[2] It was not until November 1951 that the completion of the extermination campaign was announced by Su Yu,[3] the then commanding general of the East China Military District. He placed the total number of bandits annihilated in the region of East China at 225,000. This number was appreciably smaller than those reported from other regions, perhaps due to the relatively smaller number of Kuomintang troops who had to be sought out.

Military campaigns in this region were generally divided into three stages;[4] each

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1. Report of Jao Shu-shih, Chairman of the East China Military and Political Committee, Chieh-fang Jih-pao [Liberation Daily], Shanghai, Dec. 2, 1949, p. 1.

2. Report of Li Shih-ying, chief of the Department of Public Security of the East China Military and Political Committee, ibid., March 18, 1951.

3. Ibid., Nov. 27, 1951, p. 1.

4. Ibid., Nov. 27, 1951, p. 1. ibid., Oct. 1, 1951, p. 5.

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669 727 featured different strategic and tactical maneuvers. During the first stage, the strategic aim was the extermination of remnant Nationalist troops and bandits in key economic areas and major transportation points. Throughout these campaigns, military forces were used in the destruction of old political forces in the rural areas. In Chekiang, for example, one Communist unit assisted in the setting up of rural government in 73 hsiang and 247 villages and organized peasants' associations with a membership of 28,000 and a militia of 8,900.[5]

The second stage marked the expansion of military operations to areas adjacent to the key centers, where most armed resistance had been put down during the first stage of operation. Fighting was confined to the pursuit and annihilation of the main bandit forces, thereby making safe from bandit activities the largest portion of the region. At the same time, Communist troops in the provinces were divided into areas of command. In the province of Chekiang, four such areas were organized[6] and each was made responsible for the extermination campaigns in a specific area. There were, in addition to the four area commands, two independent commands in charge of the areas south of

5. Ibid., Nov. 27, 1951, p. 1.
6. Ibid., Dec. 5, 1949, p. 3.

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727 T'ai Lake and Hang-hsien.

After the dispersion of the remaining bandit forces, military operations were carried out by a minimum use of garrison troops with the help of militia. Garrison troops also rendered direct assistance to the rural Communist governments in the establishment of public security organizations and directed the work of the militia. From January to June, 1951, the militia in the East China Region engaged in 21,625 "battles"[7] -- the Communist phrase for any skirmish or incident involving the militia and armed bands. In coastal areas, the militia was relied upon for coastal defense.

The announcement of the completion of the extermination campaign in the East China Region in November 1951 coincided with similar statements from other regions. The year 1951 marked the conclusion of the Land Reform Movement, and 1952 was spent in the consolidation of political power in the rural communities. Reports of more recent activities are few. However, at least two bandit groups were identified in Chekiang and the Kiangsu area in 1954. One of the groups, Chung Chiang Hang, was reported to have committed 394

7. Ibid., Nov. 27, 1951, p. 1.

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669 robberies, and the other, Shui Huo Pang, was
727 similarly active.[8]

B. Landlords

687 At the conclusion of land reform, many landlords (including those who had received sentences of less than one year's imprisonment) were placed under the surveillance of the local hsiang government and the security agencies. They were either given a small portion of land to work or were sentenced to forced labor. Those landlords who were classified as counter-revolutionaries (within the meaning of the term as provided in the law for the control of counter-revolutionaries[9] issued by the Ministry of Public Security of the Government Administration Council in July 1952) were deprived of their political rights and were subject to surveillance for a period of at least three years. These landlords probably constituted the major portion of forced labor battalions in Communist China.

After the land reform, many peasants and Party members were classified as "new rich," and such were regarded as "potential landlords." These people were accused with the collaboration of former landlords, of attempting to seize

8. Jen-min Jih-pao [People's Daily], Nov. 18, 1954, p. 3.

9. Text of the regulation in Liberation Daily, Feb. 23, 1951, p. 1.

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Other Trade Goods

439 Shanghai was fortunate in that as China's monopolies of the tea and silk trade disappeared by about the turn of the century, the Yangtze continued to concentrate there for export a large proportion of the goods which now became the staples in China's more diversified foreign trade (table I). These goods: vegetable oils, hides, skins and bristles, eggs, and fibers, were staple products of the Yangtze basin, and their marketing in Shanghai was as logical as that of tea and silk. In this new trade, Hankow was the principal inland collection and distribution center, but as with tea, its direct exports overseas remained slight, and actually decreased after 1880 when steam navigation on the Yangtze had become firmly established.[85] Hankow sent the bulk of goods destined for export to Shanghai for transshipment.

438 Hankow's water connections enabled it to draw these goods not only from Szechuan, Hupeh, and Hunan along the Yangtze itself but also from Shensi, Honan, Kweichow, and Kwangsi via Yangtze tributaries. Szechuan led all the other provinces in the production of wood oil (t'ung oil), wax and tallow, and bristles, and was a leading producer of hides and skins, fibers, and other vegetable oils. Production of vegetable oils, raw cotton and other fibers, and eggs was also important in the lower Yangtze basin in Anhwei, Chekiang, and Kiangsu. While their production was less localized than was the case with tea and silk, and also because of this scattering, Shanghai had easier, cheaper, and quicker transport connections than any other leading port with these or other producing areas. The Yangtze also enabled Shanghai to exchange its foreign imports (and after 1920 increasingly its own industrial production) for export goods over a wider market and with greater ease and cheapness than rival commercial centers.

669 175 The disruptions of the Taiping Rebellion and attendant local uprisings (1850–1864) were heavy in the Yangtze delta, and the largest military campaigns were fought there. Shanghai itself acted as an invaluable base for the efforts of the Ch'ing government to suppress the rebellion, since with the support of foreign troops and volunteers, the city was able to hold out against a rebel tide which

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engulfed every other delta city of importance. It was from Shanghai that the famous "Ever Victorious Army" (composed of both Chinese and foreigners led by the American Frederick Ward and, after his death from wounds, by the British Major Charles ["Chinese"] Gordon) conducted its decisive campaigns on behalf of the Ch'ing government against the Taipings and retook all the delta cities before the eventual recapture of Nanking in 1864. Shallow-draft boats carrying both bombardment guns and troops and using the pattern of delta waterways leading from Shanghai gave this army a crucial advantage of mobility against the numerically greatly superior Taiping forces.

Shanghai's land and speculative boom and the defense of its boundaries during this period are briefly discussed above in Chapters One and Two, but two other results of the rebellion were of greater significance: the establishment of the Imperial Maritime Customs, with the commercial advantage which this gave to Shanghai (see below, Chapter Eight); and the damage to the tea and silk industries (which were concentrated in the delta and its immediate environs) together with the blocking of the normal trade routes, which was followed after 1862 by new opportunities for the expansion of a more diversified trade. Shanghai suffered substantially from the losses inflicted on its trade in these two key commodities. But the pliability of the Ch'ing government, in recognition of the fact that foreign military assistance from Shanghai was instrumental if not decisive in the suppression of this mass rebellion, played its part in the granting of free navigational rights on the Yangtze, more from apprehension than from gratitude. The foreigners, undismayed by the illogicality of their position from a diplomatic point of view (British naval and land forces were attacking Taku and Peking at the same time that British forces were fighting against the Taipings in the delta area), were encouraged by their military successes to press their demands for wider commercial opportunity. The rebellion revealed Shanghai's vulnerability as long as its trade was so heavily dependent on the two local or semi-local staples of tea and silk, and at the same time re-emphasized possibilities for a broader and larger trade in the Yangtze valley as a whole. Though the trade in tea and silk recovered rapidly after the fighting (see table I),

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438 stopped the marked growth in Shanghai's total trade was due predominantly to the opening of the Yangtze, and it was this new commercial sphere with its new commodities which after 1880 increasingly supported the city.

Shanghai's commanding position for marketing is revealed in the fact that between 1860 and 1930 it accounted for an average of 68 per cent by value of the total re-exports of goods from Chinese ports to Chinese ports. For the period 1925–1935, goods re-exported from Shanghai to Chinese markets went (according to percentages of the total value of such exports) to Kiangsu and other provinces as shown in the accompanying table.[36]

Kiangsu	18	Szechuan	8
Chekiang	17	Honan	6
Anhwei	16	Fukien	3
Hupeh	11	Shantung	2
Hunan	9	Other	1
Kiangsi	9	TOTAL	100

In a largely pre-industrial economy still characterized for the most part by local rather than regional or national markets, these figures show a truly remarkable areal extent over which Shanghai was able to market (and to purchase) its goods, and the degree to which Shanghai served as the dominant place of exchange for China as a whole. They suggest a close relationship between the size and areal distribution of the market and the waterways and sea routes which focus on the city.

669 505 438 Political and military events in 1926, and later during 1937 and after, re-emphasized the importance to Shanghai of this water network for the supply of its trade and industrial goods and for the distribution of its exports. Civil war was widespread in the middle and lower Yangtze basin during the latter half of 1926 as part of the campaign of the Kuomintang against the local and northern warlords. Commandeering of boats, including native craft and 13 out of the 31 Yangtze steamers of the China Merchants Steam Navigation Company by December 1926, led to the suspension of nearly all river sailings between Shanghai and Hankow by Chinese vessels before the end of the year. British and Japanese shipping

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firms continued to operate, but under difficulties, and they could not handle more than a small fraction of the normal volume of trade on the river. As a result, sales of piece textile goods in Shanghai had fallen by January 1927, to one quarter of their August levels. The kerosene trade out of the city was badly hit, and large stocks accumulated in warehouses. Imports of Chinese tobacco leaf to Shanghai virtually ceased by January, and forced the closure of several of the large cigarette factories. Egg imports to the city in January were less than 30 per cent of normal. By the end of 1927, with order restored in the Yangtze basin and navigation no longer interfered with, Shanghai's trade with its hinterland returned to normal levels. Both railway lines serving the city remained in regular operation for all but a few days during this period.[37]

In November 1937, in order to hamper Japanese naval movements on the Yangtze, the Chinese Government placed booms across the river at Kiangyin and Chinkiang, and fighting in the delta area and upstream from Nanking further disrupted traffic. The value of Shanghai's foreign trade fell by 76 per cent between July (hostilities began at Shanghai on August 13, 1937) and December 1937, as much because of the interruptions in transport as because of the local fighting, which ended at Shanghai itself in October. During the same period, the total value of the foreign trade of China as a whole decreased by only 2 per cent. Shanghai's relative decline continued through 1938, with a 49 per cent decrease in imports and a 63 per cent decrease in exports over the 1937 figures, while for the same period the total foreign trade of China increased by 8 per cent.[38] With its water connections disrupted, Shanghai could no longer compete commercially with rival centers, which despite the progress of hostilities over nearly the whole of east China by the end of 1938 increased the total of their trade at the expense of Shanghai.

But the disruptions of war should not obscure the fact that the Yangtze basin is the economic heart of China, nor that its river system will continue to be a basic element in China's transport pattern. The city at the mouth of the river will remain a metropolis under whatever conditions the future or the Communist Government of China may impose.